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A MONTHLY ELECTRONIC NEWSLETTER TO THE 41ST ASSEMBLY DISTRICT (Including Agoura, Agoura Hills, Calabasas, Encino, Hidden Hills, Lake Sherwood, Malibu, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills)

AUGUST 2007 BUDGET SPECIAL

Senate adopts Assembly-passed Budget. Finally.

On August 21, after State Senate Republicans had blocked budget passage and brought action to a complete standstill, they relented. Finally ending the partisan standoff, the budget they approved was virtually identical to the one the Assembly had passed on June 20, two months earlier.

This was my first budget experience as a freshman legislator, and it certainly was not what I had envisioned. During the two-month shutdown, the state could not pay bills, including for critical services like nursing facilities and small care homes for the developmentally disabled that struggled to stay open. Paychecks stopped for thousands of state employees, who nevertheless stayed at their desks and kept California going.

It is not a pretty budget. But it is the budget that was possible, given the need for a 2/3 supermajority vote of both houses of the California legislature. The Governor was also given the discretion to blue-pencil \$700 million in <u>additional</u> cuts from the Legislature's approved budget to close the final structural deficit. He refused to apply any of the \$3.4 billion reserve as an alternative to more cuts.

Who won? Who lost?

Depends on who you are. If you're about to buy a yacht, you won. The Governor preserved a \$45 million sales tax exemption for you. But if you're concerned about homeless mentally ill people wandering in your community, you lost. The Governor cut \$66 million (that the Democrats had reinstated) from the program that helps counties stabilize these people, keeping them off the streets and out of costly mental hospitals.

Schools generally won. There were no K-12 cuts, and spending increased to \$57.2 billion. But if you're a state university student, expect your fees to increase as much as 10%.

One Republican demand during the standoff was a weakening of environmental protection conditions to be placed on new road projects. They ultimately gave up, so the environment won. But nearly \$1.3 billion in gas tax revenue to pay for these critical transportation projects was shifted away to close the general fund deficit. It was particularly frustrating during all the tugging and pulling over what to fund and what to cut, to have hovering as the proverbial 900 lb. gorilla in the room, the \$56 billion that waging the war in Iraq has cost California.

I imagine what we might have been able to do to help make California great again with such a staggering sum.

Universal health care for all Californians?

- Free college for all our students?
- More affordable housing?
- Convenient state-of-the-art mass transit?
- Cleaning up of our air and water in a serious way?
- So much more. What a tragedy this war has been.

This was just one of the reasons that I stood up and spoke loud and clear on the Assembly floor in strong support of SB 924 in August. This bill that the Legislature has now passed, if the Governor will sign it, will give all California voters the opportunity on February 5 to send a message to Congress and to the President, saying that we want an "immediate, complete, safe, and orderly withdrawal" of U.S. combat forces from Iraq. Please write or fax him and ask him to support SB 924!

> Governor Arnold Schwarzenegger State Capitol Building Sacramento, CA 95814 Phone: 916-445-2841 Fax: 916-445-4633

The legislative session ends on September 15. I feel hopeful about my bills, which have fared very well this year, and I'll report to you on those next month.

Committee and Legislative Appointments

Chair, Assembly Budget Subcommittee #2 on Education

Aging and Long-Term Care Budget Budget Subcommittee #3 on Resources Education Natural Resources Joint Legislative Budget Committee **Select Committee on Community Colleges Select Committee on Domestic Violence**

Legislative Liaison, Santa Monica Bay Restoration Commission Legislative Participant, Santa Monica Mountains Conservancy California Commission on the Status of Women

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